

Message Text

SECRET

PAGE 01 STATE 102404

63

ORIGIN EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 SP-02 AID-05 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 L-02 H-02 PA-01 PRS-01 USIE-00 INRE-00 NSCE-00

SSO-00 /086 R

DRAFTED BY EB/IFD/PBOEKER/REGELBARD

APPROVED BY ASSISTANT SECRETARY ENDERS

ARA - WM. ROGERS

----- 126788

O 012336Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY SANTIAGO IMMEDIATE

INFO AMEMBASSY PARIS IMMEDIATE

AMEMBASSY MADRID IMMEDIATE

S E C R E T STATE 102404

E.O. 11652: GDS

TAGS: EFIN, CI

SUBJECT: CHILE DEBT RESCHEDULING

FOR THE AMBASSADOR

1. PLEASE APPROACH MINISTER SAEZ ASAP TO MAKE FOLLOWING
POINTS TO WHICH WE NEED GOC RESPONSE BEFORE BOEKER LEAVES
SUNDAY FOR PARIS CLUB CREDITOR TALKS MAY 5 AND 6.

2. FROM DISCUSSION IN PARIS THIS WEEK WITH NEBOT, DUTET
(GISCARD'S ECONOMIC AND FINANCIAL ADVISOR) AND STEEG
(ASSISTANT SECRETARY IN FRG ECONOMICS MINISTRY) WE
JUDGE SITUATION IN PARIS CLUB TO BE AS FOLLOWS. FRENCH,
SECRET

SECRET

PAGE 02 STATE 102404

AT HIGHEST LEVEL, HAVE DECIDED TO RESIST PROMPT CON-

CLUSION OF TRADITIONAL PARIS CLUB RESCHEDULING WITH GOC. WE WILL, NEVERTHELESS, TRY TO GET CREDITORS TO AGREE TO EARLY MEETING WITH GOC, BUT DOUB, THIS WILL BE POSSIBLE GIVEN THAT THE FRG WILL ALMOST SURELY NOT PARTICI,ATE IN ANY MULTILATERAL RESCHEDULING PROCESS WHICH DOES NOT INCLUDE FRANCE. GISCARD'S ADVISORS ARE RECOMMENDING TO HIM ONLY TWO POSSIBLE OUTCOMES OR SCENARIOS FOR CLUB TALKS AS ACCEPTABLE TO FRANCE.

3. FIRST SCENARIO: CREDITORS AGREE, IF POSSIBLE ON MAY 5 AND 6, TO ONE-YEAR RESCHEDULING ON TERMS SIMILAR TO PREVIOUS RESCHEDULING (FRG, AS YOU KNOW, WANTS A SYMBOLIC STIFFENING OF TERMS); ONE CREDITOR OR THE CLUB CHAIRMAN CONTACTS GOC ON BEHALF OF CREDITORS TO ASCERTAIN ITS ACCEPTANCE (PROBABLY BY BILATERAL LETTER); CREDITORS RECONVENE SHORTLY THEREAFTER TO CONCLUDE ON AGREED MINUTES DEFINING TERMS, INDICATING CREDITORS' WILLINGNESS TO RESCHEDULE ON THIS BASIS AND NOTING DECLARATION OF GOC ACCEPTANCE; THERE WOULD BE NO CREDITORS' MEETING WITH GOC AND PRESUMABLY ONLY NEBOT WOULD SIGN MINUTE. (GOC WOULD CONCEIVABLY REQUEST MINOR AMENDMENTS IN BILATERAL LETTER, BUT PROCESS IS OBVIOUSLY NOT SUITED TO MUCH GIVE AND TAKE; TIMING IS NOT CERTAIN BUT WHOLE PROCESS COULD PROBABLY BE CONCLUDED DURING MONTH OF MAY).

4. SECOND SCENARIO: CREDITORS MEETING MAY 5, 6 COMES TO NO CLEAR RESULT OTHER THAN AGREEMENT TO MEET AGAIN, PROBABLY IN ABOUT ONE MONTH'S TIME. AT SECOND CREDITORS' MEETING, CREDITORS, INCLUDING FRENCH WOULD AGREE QUIETLY TO MEET WITH GOC TO CONCLUDE CLUB RESCHEDULING AGREEMENT; FRENCH, HOWEVER, WOULD NOT CALL MEE;ING UNTIL LATER, THEIR TARGET BEING A MEETING OF FULL CLUB WITH GOC AT THE END OF JULY. GIVEN FUZZINESS OF PROCES A LOT IS LEFT TO FRENCH INITIATIVE AND IT IS NOT CLEAR WHEN, BEFORE MID JULY, GOC'S BANKERS COULD BE ASSURED RESCHEDULING WILL PROCEED.

5. THROUGH DUTET WE HAVE MADE ALL OBVIOUS POINTS REGARDING LIMITATIONS OF BOTH SCENARIOS PUT TO GISCARD
SECRET

SECRET

PAGE 03 STATE 102404

BUT DOUBT ANY DECISION ON HIS PART WILL GO BEYOND THESE TWO SCENARIOS AND IT MAY FALL SOMEWHAT SHORT OF THEM.

6. WE NEED TO HAVE GOC VIEWS ON ACCEPTABILITY OF EITHER OR BOTH OF THESE SCENARIOS BEFORE WE CAN DECIDE WHAT OUR OWN APPROACH TO MAY 5, 6 MEETING SHOULD BE. WE DOUBT ADVISABILITY OF GOC COMMUNICATING WITH NEBOT ON THESE POINTS AT THIS TIME, SINCE HE COULD USE SUCH

COMMUNICATION TO UNDERMINE POSITION OF CREDITORS
PRESSING FOR OTHER OUTCOMES. IF GOC HAS POSITIVE
RESPONSE TO FIRST SCENARIO, HOWEVER, IT MAY WISH TO
SOUND OUT MARID ON GOVERNMENT OF SPAIN'S WILLINGNESS TO
TAKE ON INTERMEDIARY ROLE. WE CONSIDER SECOND SCENARIO
AS UNWORKABLE AND SEE FIRST AS LEAST HARMFUL GIVEN

CIRCUMSTANCES IF IT EMERGES FROM MEETING AS PRESENTLY
OUTLINED.

7. YOU CAN REASSURE MINISTER SAEZ THAT WE WILL WORK
FOR MORE FAVORABLE OUTCOME, BUT AS HE KNOWS, FRENCH
HAVE MOST OF THE CARDS IN THIS GAME SINCE FRG WILL NOT
GO WITHOUT FRANCE AND ABSENT FRANCE AND FRG MULTI-
LATERAL PROCESS UNRAVELS ENTIRELY. WE STRONGLY SUGGEST
THAT SAEZ BE IN EUROPE IN LOCATION, SUCH AS GENEVA,
DURING TIME MEETING TAKES PLACE, SO THAT WE CAN BE IN
IMMEDIATE TELEPHONE EONTACT WITH HIM. HE SHOULD NOT
RPT NOT BE IN FRANCE. PLEASE ADVISE. KISSINGER

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, DEBT REPAYMENTS, MEETING REPORTS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 01 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE102404
Document Source: CORE
Document Unique ID: 00
Drafter: IFD/PBOEKER/REGELBARD
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750154-0074
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750588/aaaadcxa.tel
Line Count: 134
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2003 by CunninFX>; APPROVED <01 OCT 2003 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHILE DEBT RESCHEDULING FOR THE AMBASSADOR
TAGS: EFIN, CI, PARIS CLUB, (SAEZ SAEZ, RAUL)
To: SANTIAGO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006